

SPECIAL COMMITTEE ON AIRPORT ACTIVITIES

April 11, 2005

6:00 PM

Alderman DeVries called the meeting to order.

The Clerk called the roll.

Present: Aldermen DeVries, Gatsas, Porter, Garrity, Thibault

Messrs.: Kevin Dillon

Chairman DeVries addressed item 3 of the agenda:

3. Airport updates provided by Kevin Dillon, Airport Director, as follows:

I. Airport Financial - -

- a) 2005 Bonding; and
- b) Line of Credit request.

II. Capital Program - -

- a) Runway 6/24;
- b) Property Acquisitions; and
- c) Parking.

III. Noise Mitigation

Mr. Dillon stated I thought what I'd do is actually combine items I, II and III together because they're really the same conversation. What I wanted to do is go through each of the projects that we're going to be undertaking money that we're going to be bonding. As you know, the Board has approved a \$20 million bond this year too and show you exactly how that money is going to be spent. The major work that we're undertaking is the reconstruction of Runway 6/24 the area that is shaded here in green. What we need to do is actually rip up that section of the runway, redo the drainage and resurface the runway...very similar to what we did to the main runway, Runway 17/35 last year. We only need to do it in the area of that green outline because the intersection has already been done at the other end of the runway, the extension area 6/24 serving as the main area so those areas don't need to be done just in this area here. We're also going to take the opportunity that works best...the runway safety area issue that we have at the

airport. Any new runway that's built or any existing runway that has substantial construction which this would be considered substantial construction needs to meet the FAA guidelines to have a 1,000 foot safety. What we're going to be doing in this area is we're going to be providing roughly 600 feet...we have gotten a waiver from the FAA because of what we'll ultimately be doing at the 24 end. This work is expected to begin this June, bid specifications will be put out this week, we're expecting bids back by the end of the month...that's a quick turnaround simply because we sent it to a pre-qualified list. We pre-qualified the contractors who will be bidding so we can expect a quick turnaround. We'll get the bid back at the end of the month and we can start the work in June and the work will run for around 150 days starting this June. During that time period and naturally you can see because of the extent of the work this runway will have to be closed.

Chairman DeVries asked Kevin could you just orient the photo that you have there to some of the landmarks so those people at home who are not familiar with Runway 6/24 and which one of the two that would represent.

Mr. Dillon stated this is the entrance to the airport right in the this area...Runway 6/24 is here to the northeast/southwest...this is the main runway that runs to the north/south.

Chairman DeVries stated you said that work on the green portion, the western portion of the runway is scheduled to start in June and how long would that be proceeding.

Mr. Dillon replied it would run for 150 days, right into the fall.

Chairman DeVries asked does that mean that that runway will be out-of-use starting in June?

Mr. Dillon replied the majority of that 150 days it will be out-of-service yes because we have to rip up the entire surface. The other piece of that runway work is up here on the 24 end where we will be redoing the safety area. As I said before 1,000 on each of the four runway ends...here that work is of a lot more significance...we're actually going to take South Willow underneath the runway, extend the runway surface out to the area today where you see the FAA navigational lights at the end. We're still working through the engineering of that and we're hopeful that we'll be able to provide that area as turf but I think the key piece of the work is the fact that we have to put South Willow underneath. We are planning through engineering certainly to keep South Willow Street in operation the entire time, we may have to reroute the roadway for a short period of time but

we're not expecting any traffic impact. That work is expected to start next construction season sometimes in 2006 . We will be able to use the runway during certain portions of that work and we're still going through a lot of the engineering so I can tell you specifically how it will tie into closures of 6/24.

Chairman DeVries stated I know that that area of South Willow Street, the industrial park just to the south of Triangle Mall does not yet have sewer service and I'm wondering if you've coordinated that with City Highway so that at the time we depress South Willow if they need to make any calculations for installations of sewage so that the project can continue in the future.

Mr. Dillon stated we haven't talked to them as of yet. Let me jump to the acquisition of the Aerohex property. Here's the terminal building just to orient you. We're looking to acquire this piece of property. We've reached an understanding...that's actually private property, it's not owned by the airport it's one of the weak issues about Manchester Airport...there are still a number of private parcels. We need that piece of property for future cargo activities inside the airport. All of our cargo activities will be in the area. Very difficult for us to value that property...there's an improvement on there...essentially, it's a general aviation hangar and it's very difficult for us to value the actual land itself because it has deed access. So, we've reached an understanding with the owner of that property that we would buy the hangars, reimburse them for market value and then essentially trade them pieces of property. They'll give us roughly the four acres of property that are and we'll give them a four-acre site in this area. We're very comfortable doing that simply because of the configuration of this airfield. It's highly unlikely that you'd see commercial...commercial service outside of general aviation activities. We are starting to collect all of our general aviation activity up here. So, it was a good way of not having to deal with the value issue if we switched them land. It's land that they can use...this is certainly land that we can use over here for the cargo.

Alderman Porter asked isn't Aerohex in Londonderry?

Mr. Dillon replied it is.

Alderman Porter asked will they be in Manchester afterwards?

Mr. Dillon replied yes they will.

Alderman Porter stated good do more of that.

Mr. Dillon stated we try our best. But, one of the other things we also have to do as part of that work we have to construct a stub taxiway. Because they have access to the airfield off of this site we have to provide a taxiway to get access onto the airfield at their new field. So, that work is responsible so that we can make an equivalent trade. We also see in this blue area here reconstruction taxiway echo...that's the oldest piece of pavement that we have on the airfield that needs to be replaced so that is part of it as well. We're also going to use some of the bonding money for the acquisition of the Summit site. As you know, recent understandings with Summit to purchase their site at the airport for \$6.25 million...we've already made the first payment...paid that out of funds (cash) that we had. The second payment will be done through the bonding with that \$20 million. I should point out too just so you can put into context the money...the runway work here that I spoke about Runway 6 and Runway 24...this portion is \$6 millions, this portion is about \$22 million. As we're only bonding \$22 million really what we're doing in the bonding is borrowing our matching share because the FAA has given us grants, full grants for the project so it's just a matching share.

Chairman DeVries stated Kevin a question for you on Taxiway E...you said you're reconstructing that to facilitate the flight movement for the new acquisition...maybe you could elaborate...when you reconstruct that what sort of use would you see on that taxiway, plane movement, noise levels...is it limited ground use...obviously, is a proceed through or will jets add noise to the neighborhoods.

Mr. Dillon stated no all this is is resurfacing the existing taxiway we're not changing the profile at all. Today, it essentially serves aircraft that are circulating around...sometimes we pull them out here to circulate around to Runway 6, but predominantly it just serves as the access point into the common area. That doesn't change from today we're not expecting any increase in traffic as a result of this particular job. Some of the other pieces of bonding will be used to construct parking on that Summit site. We do have in this other blue area that's where Meggitt is located...that piece of property comes back to the airport by lease term. The lease with Meggitt expires in March 2006. We're going to combine that with the site that we just purchased from Summit and will all be turned into surface parking. So, some of the money in this bond issue is going to actual construction of a new lot...not a new lot but an extension of Parking Lot C. Parking Lot C is over here today and will increase the size of the parking as well. It includes the paving of that area, demolition of the buildings and seeing some additional revenue control. Then the last project that we have up there is the Glycol Collections System...we put it in this area...we're not too sure it's actually going to end up in that location at the end of the day because we're still investigating

where we're going to put the tanks that will be associated with the system. But, I'm sure you're all aware that we have had some concerns expressed, have been working with the DES on the odor problem...there's a foaming problem that we cause when we release Glycol. We've agreed that we will look to put in a collection system at the airport...it eliminates the odor, eliminates the foaming issue...how the system is going to work...it's a relatively simply system for us to install. How it's going to work is the drainage on the ramp area of the terminal building falls through this area here where deicing is allowed...it's already collected, we have drainage that runs around and collects all of the precipitation, all of the Glycol that's expended and it's brought from those drains to a detention pond where it's held. When the level of the detention pond rises it releases the mixture of rainwater and Glycol into the brook. What happens when Glycol begins to breakdown it emits an odor. If we have a lot of rainfall it's being pushed out of the detention pond very quickly so we get termidity that causes odors...those are both issues for the DES and certainly an issue in the community which is why I want to go with this system. What will happen is all of this precipitation in Glycol will still be collected the way it is today but instead of it being brought to the detention pond it will be diverted into the holding tanks and will work to try and get the dilution rate down to an acceptable level which is when we will then release it. If for some reason we are having a lot of rain events and we're collecting too much liquid, can't get to the dilution level fast enough we're going to try to work out an arrangement with treatment and send it to the treatment plant. Naturally though that is a concern for us because that's a cost, a per gallon cost to send it to the treatment plan and can become very expensive. So, we're still working it through but it is a system that's very similar to a systems that's installed in Rochester County and have had a lot of success with it. We are doing some due diligence research just to make sure.

Chairman DeVries asked we're spending how much to upgrade the Glycol Collections Systems at the airport?

Mr. Dillon replied we budgeted about \$2 million.

Chairman DeVries asked can you tell me the dilution rate you're looking to work towards? Is that going to be a very benign entity when it is released and you're sure that there would be no odor?

Mr. Dillon replied that would be the key is getting the dilution rate to the point that it doesn't cause foaming and it doesn't cause odors. Right now, we're talking one to two percent dilution rate.

Chairman DeVries asked do you know what you're released at today?

Mr. Dillon replied it can vary because there is no control of the detention pond so if you had a lot of deicing events.

Mr. Dillon stated I think that really does it for the capital projects bonding. I just wanted to touch briefly...as you know we've also talked about obtaining a line-of-credit at the airport. We put that issue on hold until we get through the bond issue, but we are still very interested at the airport about moving forward with a line-of-credit not to borrow for specific projects but to assist us out at the airport with cash flow because half of the time we are presented with different opportunities at the airport and we might not have the cash on-hand...the opportunity isn't big enough for us to go out with a single bond issue...I'd like to have the flexibility of a line-of-credit that we would anticipate borrowing from and then paying back. A perfect example was the Summit project. If we didn't have these other projects to lump into with it did not make sense for us to go out and bond \$6 million. So, that's the scenario with the line-of-credit and we feel very comfortable doing that because with our cash flow we would be able to pay that back each time. The issue with the line-of-credit is we are going to look at the costs associated with that going out to the banking community versus working with the City to borrow money from the City. Something, as I said before, I have concerns about borrowing the money from the City, but we're going to look at the costs. If it's more cost-effective to borrow from the City versus the banking community it's something that the Board will need to make a decision. We haven't really decided upon the specific amount but we would probably be looking in the amount of \$10 million.

Chairman DeVries addressed noise mitigation.

Mr. Dillon stated just an update on the program. To date, we have completed 746 units, 707 in Manchester, 39 in Londonderry...units remaining to complete we have 423, 391 in Manchester and 32 in Londonderry. Why we have 32 in Londonderry is they were just recently approved by the FAA...we approached the FAA and got approval to do some homes that are actually outside the contour but contiguous to other homes and gave us permission. It's been a long time since we've done any soundproofing but feel very good about these approvals and will get into those as soon as possible. We are working on a grant right now. We did get our money in from the last grant and very confident about getting about \$2.2 million in funding and that will allow this program to continue to move forward. We do have some good news that in addition to the homes that we got approved in Londonderry...new homes...we also got some additional homes approved in Manchester and essentially they're located on Cottage Avenue, Goffs Falls Road, Pond Drive, Townhouse Road and I believe Huse Road. If I look at the total it comes out to about 87 additional units. So, again, we're happy to see that the

FAA is working with us on some of these additional homes. I have the addresses here available to the Clerk but I would urge any of the folks on any of those roads that they question about their eligibility to contact our contract located off of Goffs Falls Road by the post office and anybody can stop by there, actually pinpoint their home on a map and we can tell them if they're eligible, even folks outside the streets I just mentioned if they want to understand where they stand in relation to these contours that's the best thing for them to do.

Chairman DeVries stated before I take questions could you repeat the roads that you've been able to get the contiguous placement or the additional soundproofing on.

Mr. Dillon stated they are Cottage Avenue, Goffs Falls Road, Pond Drive, Townhouse Road and Huse Road.

Alderman Garrity stated Kevin you said 32 homes were approved in Londonderry outside the contours, is that right?

Mr. Dillon replied that is correct.

Alderman Garrity asked when are those going to be done?

Mr. Dillon replied we don't have that into an actual program. I suspect they will not be done until fall of 2006.

Alderman Garrity stated so all of the homes in Londonderry in the contour have been done already.

Mr. Dillon replied yes.

Alderman Garrity asked how about all of the homes in Manchester that are in the contour are those done?

Mr. Dillon replied we're just completing those now. They will be done.

Alderman Garrity stated so the homes that are in the contour in Manchester will be done before the homes that are outside the contour.

Mr. Dillon stated absolutely, that's a requirement that we have.

Chairman DeVries asked are there any additional questions? There were none. Kevin, do you have any additional comments? I have one additional comment on that. You received or you were able to receive some extra monies this year above and beyond the first grant that you had placed, did you get a supplemental grant?

Mr. Dillon replied what we try to do at the airport is we're very proactive in terms of these grants. We always have a grant ready at the end of the fiscal year because what happens at other airports for a variety of reasons either they don't have their grants approved in time, they don't have them ready or they're not prepared to do the construction, so we always have a supplemental grant that we put in at the end of the year and have been very successful in the past taking some of that extra money that rolls back to the FAA from other airports that haven't used it. That is how we're able to accelerate these programs over the past 4 to 5 years is that most years we will get an allocation...can't count on that, doesn't happen all the time...we feel this is a very, very important thing to fund.

There being no further business to come before the Committee, on motion of Alderman Porter, duly seconded by Alderman Garrity, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee